

**Skilled Nursing Facility Quality and Accountability Program
Supplemental Payments
December 31, 2010**

Performance Period

Year One is October 1, 2010 to September 30, 2011

Quality Indicator Measurements

The first year quality indicators and maximum associated points are:

- Staffing - Nursing Hours per Patient Day (NHPPD): 25 points
- MDS Measures:
 - Physical Restraints Usage: 21.67 points
 - Facility Acquired Pressure Ulcers Incidence (Stage 3 and 4): 21.67 points
 - Immunizations- Flu and Pneumococcal immunizations: 21.66 points
- Resident/Family Satisfaction: 10 points

DHCS and CDPH will work with stakeholders to determine additional quality indicators in future years including but not limited to: chemical restraints, direct care staffing retention, and compliance with state policy associated with the Olmstead decision.

Staffing

- CDPH will determine each facility's NHPPD based on a sample of selected dates taken from a 90-day period preceding the audit and contained within the Performance Period.
- CDPH will conduct unannounced on-site staffing audits of all SNFs.
- If CDPH conducts any additional audits during the performance period, it will use the lowest of the NHPPD "scores"
- Facilities must attain a staffing minimum of 3.2 NHPPD for each day in the audit period to be eligible to participate in that year's supplemental payment program

Minimum Data Set

- The State will use the federal Centers for Medicare & Medicaid Services (CMS) Minimum Data Set (MDS) 3.0 version to determine and measure performance for use of physical restraints, incidence of facility acquired pressure ulcers (Stage 3 and 4), and immunizations (Flu and Pneumococcal).
- CDPH will contract with the California Medicare Quality Improvement Organization (QIO) to obtain facilities' MDS measures from CMS or create a portal by which facilities must submit the MDS data.

Resident and Family Satisfaction

- CDPH will contract with the California Medicare Quality Improvement Organization (QIO) or subcontractor to measure resident / family satisfaction.

Benchmarks

- Facilities must meet or exceed the statewide average scores to obtain points for each quality indicator
- DHCS will obtain quality indicator data from the QIO contractor including calculation of the state averages for each quality indicator
- DHCS will work with CDPH and the QIO contractor to determine the appropriate levels at which to score points and determine payment amounts.
- Each facility's final score is the sum of the scores from each quality indicator.
- DHCS will present the data results to the stakeholders prior to processing payments and describe how it 1) determined the levels at which it awarded points for each quality indicator; and 2) determined the required final scores for assignment to two tiers of payments (i.e. incremental payments).

Payments

- Payments will be based on Medi-Cal Bed Days (MCBD)
- It is the State's intent to use a methodology that maximizes the number of qualifying facilities with significant Medi-Cal participation (Medi-Cal bed days) that score at or above the statewide average.
- There will be two tiers for payment; facilities in the top tier will receive 20 percent more per MCBD than those in the next tier.
- DHCS will use the total MCBDs for a one year period and the approximate \$40 million to determine the amount per MCBD for each of the two payment tiers and multiply this amount by the total number of MCBS for each facility.

Facility Citations

- Before issuing the supplemental payments, DHCS will remove from eligibility any facilities that received Class AA or Class A citations within the assessment period and up to the award date. DHCS will redistribute the funds among the remaining qualifying facilities.
- If a facility successfully appeals the Class AA or A citation, DHCS will provide the supplemental payment in the next payment cycle. DHCS will reduce the funding pool move the amount from the funding pool before determining that year's supplemental payments.

Improvement

- There are no appropriate baseline data to measure improvement in Year One.
- Year Two will allow measurement for improvement and establishment of appropriate benchmarks and scoring; therefore implementation of this program component is deferred to Year Two.